

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET PRIORITIES

Mr. JOHNSON. Mr. President, this week the Senate Budget Committee is about to proceed with a markup of the budget resolution, an effort that is overdue. Nonetheless, it will be taken up this week. I think we should examine the context in which the budget resolution will be considered in the Senate.

There was some awfully good news for American families this weekend. It was announced this weekend that the Federal income tax burden for American families has shrunk to the lowest level in 40 years. Who says this? Studies by both liberal and conservative tax experts, the administration, and two arms of the Republican-controlled Congress confirmed that the Federal income tax burden for families in America is lower than it has been for 40 years.

The middle fifth of American families, with an average income of \$39,100, paid 5.4 percent in income tax last year compared to 8.3 percent in 1981.

A four-person family, with a median income of \$54,900, paid 7.46 percent of their income in income tax—the lowest since 1965. And a median two-earner family, making \$68,605, paid 8.8 percent in 1988, which is about the same as in 1955.

In fact, one-third of American families no longer pay income tax.

That is the context in which we need to take up what we are going to do as a people relative to our newfound economic prosperity that is being projected by so many.

We need to remember, too, how we arrived at this point.

In 1993, when President Clinton took office, he inherited a budget with a record deficit of \$290 billion per year. In 1993, we passed the Budget Act without a single Republican vote—none in the House; none in the Senate. In fact, Vice President AL GORE cast the deciding vote on this floor in the Senate and created a framework for a remarkable turnaround.

From almost 30 years of continuing hemorrhaging red ink and growing deficits, we then had 7 years in a row of declining deficits—in fact, the last 3 in surplus, even over and above that required for Social Security.

For fiscal year 2000, we are looking at a \$26 billion surplus over and above Social Security. In the meantime, that set the framework for 107 consecutive months of economic growth. There have been 20.4 million new jobs since 1993. Home ownership is up a record 67 percent. Real wages have increased since the beginning of the Clinton administration by 6.6 percent, reversing a two-decade-long trend of declining real wages.

From 1993 to 1998, the number of poor people in America declined by 4.8 million and the number of poor children

went down by 2.1 million. In these past 7 years, 7.2 million have left the welfare rolls—a 51-percent decline in the welfare rolls. Welfare recipients now account for the lowest percentage of the U.S. population since 1967, the height of the Vietnam war.

In 1999, Federal spending was the smallest share of our gross domestic product since 1966. Lower- and middle-income Americans had the smallest tax burden in 40 years, as noted by the study that came out this weekend. And we are now paying down debt.

By the end of fiscal year 2000, the Treasury expects to have reduced our debt held by the public by about \$300 billion—that is “billion” with a “B”—from where it was only 3 years ago.

Now we have this great national debate. The experts in both the House and the Senate are projecting about a \$3 trillion surplus over the coming 10 years, thanks, in very large part, to the decision made in 1993 to set that framework for prosperity and growth. We are talking about a \$3 trillion surplus. And \$2 trillion of that is attributable to Social Security. To the good credit of the President of the United States, he said: Save Social Security first. Our Republican friends have concurred. That is off the table.

The next question is, then: What do you do about the remaining \$1 trillion over the coming 10 years? The first thing is to be very cautious. Indeed, we have a hard time projecting 1 year in advance, much less 10 years in advance, what is going to happen to our economy.

We cannot get too giddy about how to spend or give back or do whatever with \$1 trillion that may or may not materialize. But that is the debate that is going on today. It is going on between the two Presidential candidates. It has been going on between the parties. The American public themselves are trying to digest what kind of vision we have for America in the first 10 years of this century, the first 10 years of this millennium.

George W. Bush has said he knows what to do with the \$1 trillion dollars: essentially give it all back in a tax cut, commit to that now. If \$1 trillion doesn't actually show up, too bad, because Social Security, Medicare, and virtually everything else we do will be in jeopardy.

There are others, including myself, who say, first, be prudent about whether this trillion is going to materialize. To the degree that it does, let us look at making sure that we protect the long-term viability of Medicare, which is in shaky financial condition. Most concur. Secondly, let us put some additional dollars towards paying down the debt. That will keep the interest rates down. It will continue to foster economic growth and prosperity. It will make the ability to buy a car, a house, to create new jobs, to run a farm or ranch all cost less. It will do more than many other things the Federal Government could do.

Third, let's make sure we do make key investments in our schools. We have crumbling schools all across the country. We have schools that have a greater need for better technology. We have teacher pay problems. We have problems all the way from Early Head Start through our graduate programs and research programs, including our technical and vocational programs. Let's put some dollars there as well. That will create a foundation for continued economic growth and prosperity, if we continue to invest in the minds of American citizens.

We are in a global economy today. The world is full of people who work as hard as any American for a dollar a day. The question is, Do American workers bring to the table more than just a willingness to work hard but also bring with them the technical skills and intellectual abilities to do things other people in the world cannot do? That is where we need this growing, developing, and constructive partnership between the Federal, State, and local government, public and private, whereby we empower more American citizens to take care of their own needs, to grow the economy, and to make sure America remains the foremost economic power in the world bar none.

Yes, in the context of how to use this \$1 trillion, let's try to find some room for tax relief, too, but let's target it to middle-class and working families, families who have the most difficult time meeting their bills. When you look at George W. Bush's proposal, it is blown on a tax cut, with nothing for the schools, nothing to invest, nothing to reduce the deficit, nothing to protect Medicare, at least not to the degree that it needs to be done. Then look and see who are the winners and losers on this.

The typical middle-class family gets about a \$500 tax cut; a million-dollar-a-year income gets about a \$50,000 tax cut. That is not fair, not when we are being told we don't have the money to build new schools. We can't pass a bond issue in most of the counties in my State of South Dakota. Real estate taxes are through the roof. Our agriculture is not doing well. We are wondering how to replace all those 1910, 1920 vintage schools across my State. We are looking at still a great many children who would benefit from Early Head Start programs, Head Start programs. We are looking at the need for better law enforcement. We are looking at the need for investing in our infrastructure, including our rural water. We are looking at all the things we need to do to prepare ourselves for the increasingly challenging economy of this coming century, the coming millennium.

That is where the American public is in concurrence with those of us who say, first be prudent about that \$1 trillion, making sure that we stay in the black, that we don't go back into the bad red-ink days of the Reagan-Bush

years and the years before that which were bipartisan; both parties were in the red prior to 1993, for over 30 years. We don't want to go back to those days.

To the degree we have these dollars to utilize, let's make sure we cover an array of needs we have: paying down further debt; protecting Medicare; investing in our schools, education, making us a more competitive society; doing some things for our families; and, yes, some tax relief as well. But let's do it all in that package rather than some sort of radical libertarian vision of America where the role of the Federal Government is to guard the border and deliver the mail. Many of our friends seem to think we shouldn't be delivering the mail anymore either.

I think most Americans have a more moderate, mainstream view. The American people are not ideologues. They are not far to the left. They are not far to the right. They don't want the Government to do everything, and they don't want a situation where the Government does nothing. They are commonsense about their vision of where we need to be. I think we should use caution in taking public opinion polls too seriously around this place.

Time after time, poll after poll taken reveals the American public is on the side of this more balanced, thoughtful, deliberative approach to how we are going to position ourselves to be in a situation of strength in the years to come. A lot of people's eyes glass over when we talk about budget issues, dollars and cents, talking about trillions of dollars. It is almost unfathomable. Yet at the heart of it all, where our real values and priorities lie is determined by those dollars-and-cents decisions we make in this body and on which we are about to begin this week.

The rhetoric is never lacking. The rhetoric is always in favor of almost everything. But when it comes time to see whether we are going to protect the environment, whether we are going to help our kids, whether we are going to rebuild schools, strengthen Medicare, whether we are going to do something about prescription drugs and health care, as Senator DORGAN from North Dakota has noted, whether we are going to do these kinds of things is, in large measure, dictated by the dollar-and-cents decisions we make on this floor.

This is going to be a very crucial week. We will be establishing a budget resolution. I am fearful from what I see headed our way that there is a likelihood that it will be another partisan political exercise at a time when the American public is rightfully frustrated by the lack of ability of the two parties to work together as well as they should. If that is the case, we will see, as we go through the 13 separate appropriations bills or omnibus bill in the end, as may wind up being the case, whether we come out in a way that is, in fact, balanced, which does, in fact, use the resources necessary.

It is a once-in-a-lifetime opportunity. Two generations have gone by waiting for this opportunity to have our Federal Government in the black and to make some policy decisions about how we can partner together to continue opportunity and prosperity for all of our citizens and not just a few. How tragic it would be if we were to lose this opportunity, if we would say, no, there is no role for the Federal Government to improve Medicare, to keep our rural hospitals open with a decent level of reimbursement, to rebuild our schools, to do the things that need to be done while at the same time providing some tax relief and paying down debt. What a loss that would be if we were to miss that opportunity.

There is no more fundamental decision to be made in this the 2nd session of the 106th Congress than these budget issues that are before us this week. We can be proud and we can take some satisfaction in the fact that taxes for middle-class families are now the lowest in 40 years, that we have had 3 years in a row of budget surpluses over and above that required for Social Security, and that our economy has had 8 years in a row of continuous GDP growth. But there is no automatic pilot on which to put our economy. It requires difficult decisions to be made each and every year by the Congress to set the stage for continued prosperity.

That is the challenge before us. I am hopeful that before we adjourn at the end of this year, we will be able to look back at this 2nd session of the 106th Congress as truly a watershed time, a fork in the road where we chose the right road to go down in terms of strengthening our society and creating a framework for continued growth and prosperity.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I understand there has been time set aside this morning?

The PRESIDING OFFICER. Under the previous order, the Senator from Wyoming or his designee shall be in control of the next 45 minutes which has now begun.

ENERGY

Mr. GRAMS. Mr. President, I rise to discuss our long-term energy needs and the energy problems we are currently facing in this country and to express my dismay with the Clinton administration last week because of the neglect of the long-term energy needs of our Nation's economy and its energy consumers.

I spent a great deal of time outlining my concern with the administration's failure to develop a coherent plan for reducing our reliance on foreign oil and for increasing our nation's energy security. I outlined my disgust for how this administration has ignored our nuclear waste storage crisis, moved to breach hydropower dams in the northwest,

forced regulation upon regulation on other energy production technologies, and displayed a complete disregard for the men and women who find and produce domestic supplies of oil and natural gas.

In fact, this administration has virtually ensured that the oil price crisis we're now facing will pale in comparison to the electricity price and supply problems that are just around the corner for our nation's electricity consumers. I know both the energy producers and consumers of Minnesota are astutely aware of the generation and transmission problems that will grip our state in the not-too-distant future. Those problems are not confined to Minnesota. Many States in the upper Midwest face generation and transmission shortages, as do States across the country. Those problems are rooted in the failure of this administration to comprehend the generation needs of a growing economy and the transmission requirements of that growing demand.

While I strongly believe that, in the absence of a coherent administration energy policy, Congress needs to step in and forge its own path for meeting the long-term energy needs of our economy, I've come to the floor today to talk about the need for some short-term measures to address high oil prices.

In Minnesota, farmers are preparing to enter the fields for spring planting. They're trying to budget for the year and put in place a business plan that will put food on the table and put their children through school. As everyone knows, doing these most basic things is no easy task when commodity prices are low, the weather is uncooperative, and government regulations eat away at the ability to show a profit. This year, however, farmers have a new worry that threatens to make matters even worse—the growing price of diesel fuel and gasoline. Farming is an extremely energy intensive industry. Everything farmers do require energy; from plowing the field to milking the cows, energy is an essential part of a farm's bottom line.

Likewise, truckers throughout America are essential to delivering the products we use in our everyday lives to markets across the country. Without truckers, we wouldn't have access to most of the things we all take for granted on a daily basis. Even the internet becomes virtually worthless to consumers if truckers can't deliver to our doorsteps the products we buy. Like farmers, truckers rely heavily upon stable energy costs to make a living and run their businesses. When fuel prices go up, truckers feel the impact first. Too often, they have to absorb the increases in fuel prices, but it's not long before everything from fruits and vegetables to our children's school supplies begin to rise in price as a result of climbing fuel costs. We need look no further than the surcharges now being placed on delivery services to see the compounding negative impacts of increased transportation costs.